



The Impact of Industrialised Countries on World Environment and Security

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"The environment will have to wait"

Ladies and Gentlemen, the environment will have to wait! Problems with our economies, unemployment, security risks and terrorism are all topics, which have a much greater importance than environmental protection. The environment will have to wait therefore until we have these problems under control.

This is what I am hearing these days in the corridors of Brussels and indeed increasingly around the world. I believe that this argumentation is factually wrong and dangerous for 3 reasons:

Firstly, the fact that billions of people have (or will have) no access to clean air, drinking water and safe food might well be the biggest security threat to the world. This type of security threat; is not caused by crazy ideologists who use terrorism as their tool. Instead it is driven by billions of people who are denied their fair share of resources, lacking the very basics for a dignified life. This is with no doubt the biggest security threat in the nearby future.

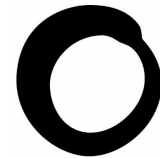
Secondly, the idea that we first should create economic growth and then clean up the environment afterwards is going to be an extremely costly strategy. It is much cheaper to avoid environmental destruction from the beginning.

Thirdly, I believe that we have to change our view on environmental protection, fundamentally. It is not just about clean-up which can be done with the classical end-of-pipe technology - even though, this is still highly important as well. In the future, environment has to be thought into all policies, such as transport, energy, agriculture and economic development, from the very beginning. If we do this, it will lead to resource-efficiency, innovation and modernisation of our economies. It will also result in the creation of additional jobs.

Security challenges

Let me start with looking at security challenges. I come from Germany. It is only 6 decades ago, that Germany has been one of the biggest security threats to the world. My country had the most inhumane regime we can possibly imagine, bringing death, human rights violations and destruction to the world. Only a decade after the second world war ended, West-Germany however had already reintegrated into the civilised world, had built up a stable democracy and was part of building a secure and free Europe. How was such a sudden change possible? Did all the Germans who did support or not resist the Nazi regime all of a sudden turn into democrats?

I believe this positive development was largely driven by the fact that Germans, after the war, had the chance to build themselves a good life. They were busy with rebuilding their houses, roads and schools or – to say it more profane- they were busy with making money. For a generation, which had lived through the horrors of war and had starved after the war, this was no small thing, and a major reason to support Germany's young democracy. (All of this was –



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by the way – supported by wise political and economical measures introduced by the occupying forces led by the US.)

What better could we do today in Afghanistan, Kosovo, Iraq or in Africa, than make people busy with creating a good life for themselves? There is no more effective way to end conflict and overcome hatred!

However, we cannot:

We simply do not have enough worlds, enough resources and enough environmental space to do this. If we were to export the wasteful development model of Europe or the US to the rest of the world, this would result in incredible environmental destruction and in a rapid depletion of the world's natural resources. As a result, new conflicts over resources would lead to instability and new security threats.

The key security question for me in the 21st Century therefore is: will we be able to provide the same well-being and standard of living with a drastically reduced use of resources and a drastically reduced environmental impact? Resource efficiency then becomes the key security challenge for the next decades.

Environmental Space

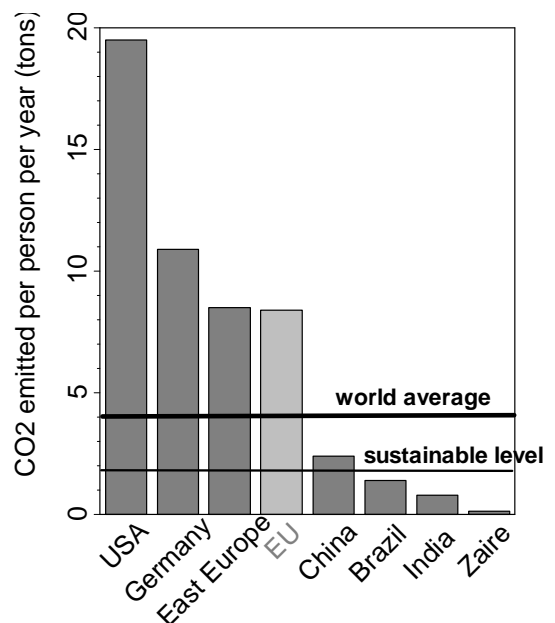
To explain the scale of the challenge, let me introduce you to the "Environmental Space" concept, which was developed by Friends of the Earth.

It is based on two principles:

- On the simple fact that the Earth can only sustain a certain amount of pollution and use of resources. If we want to avoid a climate disaster, we can only put a certain amount of CO₂ into the air. If we want to preserve the forests, we can only fell a certain amount of timber. If we want future generations to have the same chances as we do, we have to reduce the use of non-renewable resources to the absolute minimum.
- The second principle is the equity principle: Every person in the world should have the same right to use the resources of the Earth.

From these two principles one can calculate how much resource use is actually available for every person in the world. This, we call **environmental space**. In practice, environmental space is the total amount of energy, non-renewable resources, agricultural land and forests, which each person can use without causing irreversible damage to the Earth.

If we take this concept seriously, the industrialised world will have to reduce its per capita resource and energy consumption by about 80-90% in the next decades. (See graph for an example²).



² CO₂ emissions and energy consumption are both by burning fossil fuels. They are a good example of environmental problems. Higher energy efficiency results in a change - for example better air quality, reduced ...

Explanation of the Graph: The average person in the world is currently producing approximately 4 tons of CO₂ per year. Climatologists tell us that we should reduce the overall emissions of CO₂ by at least 50% to stabilise the world's climate. Taking population growth into consideration, the sustainable level is

Put into practice, environmental space is therefore an enormous challenge for the industrialised world.

We are often asked if that is possible. We strongly believe so: the technical and political options exist to provide the same amount of well being, with a drastically reduced use of resources and thus a drastic reduction of the environmental problems.

To name a few examples: household heating, a major part of the energy consumption in Europe and North America, can be reduced by up to 90% simply by building houses more cleverly. Friends of mine in Freiburg, Germany, live in a house, which does not need a heating system (or air conditioning) anymore, because the house is extremely well insulated and harvest the energy from the sun. The house was not more expensive to build, because one saves a lot of money on the heating system. More local production and consumption patterns instead of the -often-useless - transport of products around Europe is another area where enormous efficiency gains could be made. Finally, long lasting products, which can be repaired, instead of throw-away products would drastically reduce resource demand. These are just a few examples where we could increase our resource efficiency simply by applying more intelligent technology and introducing small changes in lifestyle³.

The political framework for resource efficiency is missing

Why are all the technical possibilities to save energy and resources not put into practice? The reason is that we are lacking the necessary political and economic framework for it. Indeed, we are far away from it.

The most efficient way to reach higher resource efficiency is to use the market economy to drive innovation forward. For this, we must make resources more expensive. Shifting taxes away from labour and onto resource or energy use is one way to do it. By increasing the costs of resources this 'ecological tax reform' pushes for innovations, which reduce energy or resource consumption. At the same time it makes employing people less expensive – a good measure against unemployment. This makes double sense because most energy/resource saving measures (such as insulating houses or recycling) are labour-intensive.

If we look at political realities today, we must however conclude that it has become increasingly difficult to put such measures into place.

Economic globalisation allows multinational companies to play countries against each other for the best investment conditions, resulting in lower environmental and social standards and increasingly lower taxes for corporations. Countries which do not play to these "rules" have to face increasing unemployment, because multinational companies choose to go to other countries which offer more profitable conditions. Taxes on corporations in Europe have decreased by 25% in the last 10 years. This is not a process, which is properly discussed or wanted. It is simply the result of countries competing with each other for the investment of multinational companies.

This situation has negative effects in two ways:

a) It stops countries from raising the necessary resource/energy taxes.

about 1.7 tons CO₂ per person per year. Looking at current CO₂ emissions of industrialised countries, we realise how far away we are from this aim: An average person in the USA produces almost 20 tons of CO₂ per year, an average European 8. At the same time, developing countries still have some room to increase their CO₂ emissions for their own development.

³ For more examples see: Weizsäcker, Lovins: Factor Four - Doubling Wealth, Halving Resource Use, The new Report to the Club of Rome, Earthscan Publications LTD, London 1997

b) It deprives countries of the necessary income, which they need to support innovation, research and education.

Let us look at a few examples.

Within the EU we have been trying for more than a decade to get a European-wide energy/CO₂ tax. The result is the so-called Monti-Directive, which is so weak and has so many loopholes that it will only achieve very small CO₂ reductions. In this context it is frustrating to see that the new EU constitution keeps up the veto right for every single country on European-wide environmental taxes. This will result in no progress in this area.

I don't have time to bother you with further details of EU politics. But we should be aware that most policy areas – such as transport, energy or cohesion policies - are nowhere near to having a sustainable strategy and are not at all geared towards reducing resource use.

On the global level, we cannot even see a start in trying to move the world economy towards more resource efficiency. The only attempt – the Kyoto Protocol – is lacking the necessary enforcement mechanisms. Worse, those countries that stay away from the global effort to save the world's climate can even have an economic advantage by not implementing CO₂ reduction measures (such as higher energy taxes).

Let me propose two ideas of how to overcome this problem:

One could set up a global environmental fund, which makes money available only for those countries that implement multilateral environmental agreements. It should, for example, be available for financing innovation measures, which reduce resource consumption. Such a fund should receive its money from a global tax on common goods (e.g. on kerosene) or a Tobin tax, which must be paid by all countries.

The EU, which is implementing the Kyoto Protocol, could demand import taxes on products, which are produced with high-energy input, if they come from countries, which have not ratified the Kyoto Protocol (such as the US). This would be fair, because in countries, which are taking their commitments to reduce CO₂ emissions seriously, energy is more expensive.

World-wide security needs more than fighting terrorism

Ladies and Gentlemen, future generations might forgive the Bush administration for having told us the wrong reasons for going to war with Iraq. Future generations might also forgive Mr. Rumsfeld for his incredible arrogance, cultural ignorance and military incompetence, with which he believed he could just send a few troops to Iraq and create a democracy. If the human rights violations done by US soldiers and asked for by the superiors can be forgiven, I leave it up to your own judgement.

Future generations will however not be able to forgive Mr. Bush and his administration for the fact that they did everything possible to undermine progress towards sustainability, boycotting multilateral environmental agreements and undermining any progress towards achieving higher resource efficiency.

Bush Senior said at the UNCED conference in Rio in 1992: "The American way of life is not up for discussion". If Bush meant the hospitality, the openness, the uncomplicated way of addressing and solving problems, the idealism of people and their willingness to help – all of which I have experienced in my many stays in the US – then I fully support his statement. We could even consider an export of this part of the American way of life.

However, if Bush Senior and his son mean by "American way of life", gas guzzling cars, throw away products and generally a society which is extremely wasteful with resources, then they are declaring war on the rest of the world, which has to live with the effects of the US' wasteful economic model and lifestyle. This wastefulness and inefficiency – which we see in Europe just as much as in the US - is indeed one of the most serious security threats for our common future.

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